

**Dear Customer,**

This Product Disclosure Sheet (PDS) provides you with key information on your trade facility. Other customers have read this PDS and found it helpful, you should read it too.

## 1 WHAT IS STANDBY LETTER OF CREDIT-i (SBLC-i)

**SBLC-i** facility is a guarantee of payment/ work performance issued by Bank Islam on behalf of its customer in the event of failure to honour their contractual commitment with a third party (beneficiary).

The operation of SBLC-i is guided by the International Standby Practices (ISP) and Uniform Customs and Practice (UCP) for Documentary Credits (including to the extent of which they may be applicable), when the text of the Standby expressly indicates that it is subject to these rules.

The Shariah concept applied is Kafalah (Guarantee) with Ujrah (Fee) which refers to a contract where the guarantor conjoins the guaranteed party in assuming the latter's specified liability and a fee is charged for the guarantee. The guarantor shall have the right of recourse against the guaranteed party subsequent to the payment made to the beneficiary.

## 2 KNOW YOUR OBLIGATIONS

**For this facility, as an illustration:**

- SBLC-i Amount = RM100,000 (up to 100% of contract value)
- Tenure = 12 months (or any other period acceptable to Bank Islam from issuance date or contact date)
- Bank's Effective Commission Rate = 0.75% p.a.
- SBLC-i commission = RM750

**It is your responsibility to:**



Read and understand the **key terms** in the **contract** before you sign.



Pay all **fees, charges, and commissions**. If we pay a claim to the Beneficiary, you must immediately reimburse us.



**Contact us immediately** if you have difficulties in making settlement of the facility.

**You have to pay the following fees and charges:**

- I. Stamp duty: As per Stamp Duty Act 1949 [Revised 1989] (if applicable).
- II. Fees and Commission.
- III. Other charges (if applicable).
- IV. Postage and Courier (if any).

**Note:** please refer to our website at [www.bankislam.com](http://www.bankislam.com) for further details on fees and charges.

## 3 KNOW YOUR RISKS

**What happens if you ignore your obligations:**

- I. We may debit your account and/or liquidate your collateral to honor the claim upon receipt of a claim from the Beneficiary, should you fail to perform your obligations to them.
- II. You **pay more in total** due to late payment charges (compensation charges/ Ta`widh).
- III. We may **deduct** money from any account you have with us to set off your overdue payment under this facility.
- IV. We may **take legal action** against you and exercise all remedies available under security arrangement.
- V. Your credit score may be affected leading to credit being more difficult or expensive to you.
- VI. Cross default of other facilities with Bank Islam may be triggered.

## 4 OTHER KEY TERMS

- To inform us of any change in your contact details.
- Takaful coverage is optional, however you or your supplier is advised to subscribe to any appropriate Takaful protection.
- If you do not meet the minimum credit requirement, we may require guarantor(s) or collateral in order for you to proceed with the submission.
- Agensi Kaunseling Dan Pengurusan Kredit has been established by Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for individual, sole proprietor and small and medium enterprise.

# PRODUCT DISCLOSURE SHEET

If you have any questions or require assistance on our product, you can:



Call us at  
**+603-26 900 900**



Visit us at  
**<https://www.bankislam.com>**



Email us at  
**[contactcentre@bankislam.com.my](mailto:contactcentre@bankislam.com.my)**

## Customer's Acknowledgment

*(A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions.)*

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

- I acknowledge that Bank Islam has provided me with a copy of the PDS.
- I have read and understood the key information contained in this PDS.

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Name:  
Date:

CONFIDENTIAL